

CONTRACTORS' REVIEW



DECEMBER 2000

NO. 29

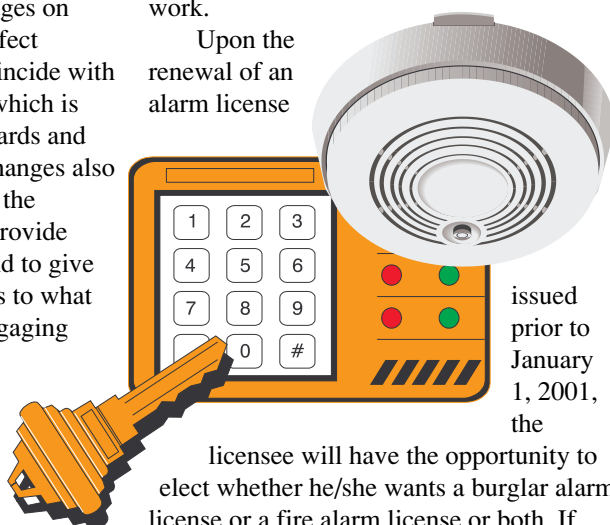
New Statutes Changes for Alarm System Businesses

During the 2000 Legislative session, the South Carolina General Assembly passed a revision to the state alarm statutes regulating alarm system businesses within South Carolina. The new statutes were signed into law by Gov. Jim Hodges on June 14, 2000 and will go into effect January 1, 2001. The changes coincide with Chapter 1 of the Code of Laws, which is the generic statute used by all boards and commissions within LLR. The changes also enable the department to enforce the statutes with more authority, to provide better protection to the public, and to give the industry a clearer guideline as to what it must and must not do while engaging in the alarm business.

The new Act separates the burglar alarm system business from the fire alarm business and creates two separate alarm licenses, one for burglar and one for fire. Under the old law, there was one alarm license, burglar and fire. An applicant took a technical exam on both types of alarm systems and, if licensed,

could work in one system or both. A lot of businesses did not like this licensing system because it tested you on work the business may not perform if the business was only engaging in one type of alarm work.

Upon the renewal of an alarm license



issued prior to January 1, 2001, the

licensee will have the opportunity to elect whether he/she wants a burglar alarm license or a fire alarm license or both. If both licenses are chosen, the alarm business will be given a separate burglar and fire alarm license. A separate license fee will be required for both licenses. The license

renewal date remains at the end of two years after the issuance of initial licensure.

Any entity applying for licensure on or after January 1, 2001, must take a technical examination on either burglar or fire alarm work.

Some other changes include:

- fingerprint cards are no longer required;
- identification (ID) cards are no longer required (surveys concluded that an overwhelming majority of businesses did not use the ID cards);
- word definitions to enhance the understanding of the meaning of the statute;
- the department can issue citations for violation of the statutes;
- the board has more sanctions to use for the discipline of licensees and unlicensed businesses with a limit of a \$5,000 penalty;

SEE **STATUTES** PAGE 6

Fire Sprinkler Contractor Bid Procedures

It appears a lot of contractors throughout the state have a misunderstanding of who may bid on fire sprinkler work. Several alarm companies have asked whether they may hire licensed fire sprinkler subcontractors to engage in fire sprinkler work when the alarm licensee has a contract directly with the owner to perform alarm work, and the owner asks the alarm contractor to include fire sprinkler work in the contract. The answer is NO. Properly licensed alarm entities do not have a license to engage in fire

sprinkler work. Having the work in your contract and subbing the work to properly licensed fire sprinkler contractors is not permitted within the statutes. This is a violation of the fire sprinkler statutes and is subject to disciplinary action by the board. This situation also applies to fire sprinkler contractors. They may not sub alarm work under a fire sprinkler contract.

The prime contractor or the entity that has the contract with the owner to perform

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What's Inside

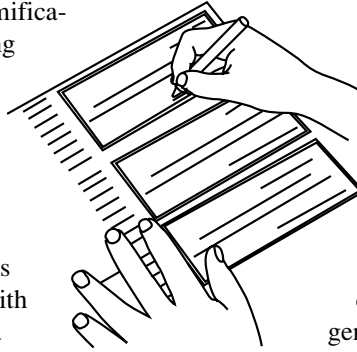
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Subcontractors and Supplier's Payment Protection Act

"The Subcontractors and Suppliers Payment Protection Act" was adopted and ratified on Tuesday, May 23, 2000. The Act is an important piece of legislation that will have tremendous ramifications within the subcontracting industry while also addressing several critical concerns.

First, it neutralizes the growing trend on the part of general contractors to impose harsh "pay-if-paid" provisions in their subcontract forms. With a "pay-if-paid" subcontract, a general contractor not only refuses to take responsibility for verifying the financial stability of the owner; he/she also refuses to take responsibility for payment failure based upon his/her own shortcomings. The trend toward "pay-if-paid"

contracts oppresses small subcontracting firms and tends to destabilize the industry. The Act renders "pay-if-paid" provisions unenforceable.



Another issue that the Act addresses is payment bond reform. Bond fraud and mismanagement have become a serious problem. There have been cases where subcontractors have lost hundreds of thousands of dollars, either because general contractors failed to provide payment bonds clearly required by bidding documents, or because sham or non-responsible sureties

SEE **PROTECTION** PAGE 6

Fire Protection Sprinkler Systems Specification Sheet

The Contractors' Licensing Board and Engineers and Land Surveyors Board continue to receive reports of violations by professional engineers involving the design and preparation of plans for fire protection sprinkler systems. It is the responsibility of the design professional who undertakes such projects to know and fully comply with the provisions of the Fire Protection Sprinkler Systems Act (Title 23, Chapter 45, South Carolina Code of Laws, Ann.).

The completed fire sprinkler system specification sheet is required for every fire protection sprinkler system installed in South Carolina. The specification sheet, designed by the State Fire Marshal, must be properly completed, sealed/signed and

dated by either a South Carolina licensed Professional Engineer (PE) or a South Carolina licensed sprinkler contractor, depending on the requirements of contract or statute (size/occupancy classification).

See Title 25, Chapter 45, Section 145 (B), South Carolina Code of Laws.

For new construction, the completed fire sprinkler system specification sheet is required as part of the bid documents. The sprinkler contractor bidding the project needs the design specifications

by the PE just as the electrical and mechanical contractors require the design specifications to construct the electrical and mechanical systems. The sprinkler contractor will prepare shop drawings using



SEE **SPECIFICATION** PAGE 6

The Contractors' Review is a publication of the S.C. Contractors' Licensing Board and the South Carolina Department of Labor, Licensing and Regulation. It is distributed three times annually to licensees, building officials, architects, awarding authorities and various federal, state and local government officials. Suggestions for articles of interest for publication in this newsletter are welcome. Send written notification to Board Administrator Ron Galloway, or call him at (803) 896-4686.

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TELEPHONE NUMBERS

General Information (803) 896-4686

Licensing:

General Contractor

Tracy Gunter (803) 896-4608

Mechanical Contractor

Tammy Thompson .. (803) 896-4627

Alarm and Fire Sprinkler:

Patti Muckelvaney ... (803) 896-4624

Inspections:

Chas Nicholson (803) 896-4611

Stan Bowen (803) 896-4856

Complaint and Violation Compliance:

Terry King (803) 896-4796

Fax: (803) 896-4364

The Right Answers About OSHA At The Right Price: Free

South Carolina's Office of OSHA Voluntary Programs provides a variety of training programs and presentations designed to reduce or eliminate safety and health hazards in the workplace. Training is available to employers and employees of both public and private sectors upon request, and can be delivered on-site at your convenience or as a result of participating in one of the Regional Training programs coordinated by the training staff.

OSHA Voluntary Programs also offers free consultation (courtesy inspection) to companies in South Carolina. You can have a consultant come to your site and do a comprehensive mock OSHA inspection, or do a technical assistance visit to help you identify safety and health hazards in your workplace. All of this for free? Yes, and it's also confidential with no threat of having an OSHA Compliance inspection because of your participation with South Carolina OSHA Voluntary Programs. The benefit to this is that you are gaining valuable safety and health experience and knowledge without the threat of monetary

penalties.

Examples of training programs include, but are not limited to :

- The OSHA Inspection Process
- Bloodborne Pathogens
- Trenching And Excavation
- Hazard Communication (Haz Com)
- Fall Protection
- Scaffolding
- Confined Space Entry
- Personal Protective Equipment
- Violence In The Workplace
- Electrical Safety

Regional training is OVP's emphasized training approach. The training staff coordinates multi-training programs with educational or community centers around the state. You may contact OVP to be placed on the mailing list to receive information on the regional training locations and topics.

These programs allow the employer/employee the opportunity to discuss problems they face in the workplace. It also allows interaction with an OSHA representative. At no time are the names and

addresses of the participants shared with the OSHA inspection staff.

The training program's content includes the requirements of the OSHA standards and how the enforcement arm of OSHA interprets the regulations.

The advantages to these opportunities are that you are getting information from a very knowledgeable source, it is free, and it is confidential!

The more knowledge you have on the safety and health aspects of your operation, the better you can



SEE **ANSWERS** PAGE 6

Board Statistics for Fiscal Year: July 1, 1999 - June 30, 2000



Licenses:

General:	5,011
Mechanical:	3,285
Fire Sprinkler:	144
Burglar/Fire Alarm:	413
Total Licenses:	8,853
Total Qualifying Parties: ..	13,089

Sanctions:

Licenses Suspended:	4
Licenses Revoked:	3
Cease and Desist Orders:	21
Consent Orders:	41
Adm. Law Judge Action:	2
Total Sanctions:	71

Investigations / Complaints:

Violations Investigated:	78
Complaints:	173
Total:	251

Monetary Fines:

Board Fines:	\$14,200
Consent Order Fines:	\$64,500
Citation Fines:	\$11,000
Total Fines:	\$89,700

Examinations:

Exams Passed:	1,055
Exams Failed:	889
Total Exams Given:	1,944
New Licenses Issued:	1,559

Hearings Held:

Before the Board:	7
Panel Hearing Officer:	18
Total Hearings:	25

Governor Appoints New Board Member

Gov. Jim Hodges has appointed Kimberly Lineberger to serve as a new board member for the South Carolina Contractors' Licensing Board. The new appointment replaces long-time board member Russell Ashmore, current board chairman. His term expires December 31, 2000. Ashmore's initiative, professional competency, devotion, and spirit of sacrifice for his honorable service helped provide better protection to the public through regulation of South Carolina's contracting statutes.

Lineberger is from Lancaster and is the president of Lineberger Construction, Inc. She will be the board member representing highway contractors. The Department thinks the qualifications and expertise Lineberger brings to the board will enhance the effectiveness of the board to better protect the health, welfare, and safety of the public. Her term will expire December 31, 2005.

New Insurance Requirement for EIFS

Beginning this year, some insurance companies that provide general liability insurance to prime and subcontractors who install Exterior Insulation Finish System (EIFS) siding will no longer provide general liability insurance. Some insurance companies now require the contractor to carry a separate liability policy for the EIFS work. The companies making this change include National Grange, CNA, Travelers, SAFCO, Ohio Casualties, and Selective. Contractors should contact their insurance companies to see if their company has also made this change.

Licensees are on the Internet

Licensed general and mechanical contractors' license information is finally on the Internet. Anyone can go to the department's Web site and see who is and is not currently licensed. New licensees are updated by the end of every Monday.

To retrieve a name, enter the name of the business exactly the way it appears on the licensee's license card. A comma, extra spaces or a hyphen must be entered exactly as it appears on the license. To ensure accuracy, enter part of a business name such as "Carolina Contractors" instead of "Carolina Contractors of the Grand Stand-North East." You will get a better listing of businesses named Carolina Contractors to help you find the rest of the name. If you put in the full name and leave out the hyphen, the screen will state that he/she is not licensed. A sure way to check a license is to enter the contractor's license number. If you are looking for a license that is issued to an individual such as John Doe, enter his last name.

Prime contractors now have the ability to verify if subcontractors are properly licensed. Each licensed contractor has a license card. If a subcontractor cannot



SEE **INTERNET** PAGE 6

Board Meeting Dates for 2001

Quarterly board meeting dates have been established for 2001. Meetings will begin at 10 a.m. and will be held at the South Carolina Department of Labor, Licensing, and Regulation, 110 Centerview Drive, Kingstree Building, Columbia, S.C. These meetings are open to the public.

Date	Room #
January 18	108
April 19	111
July 19	108
October 18	108



Disciplinary Actions by the Board

Consent Orders Issued

The following entities and individuals were issued a Consent Order and paid a fine for violation of the general and mechanical contracting statutes:

- Contract Design, Inc., G-99213, Joseph Lauer, Folly Beach, SC / Exceeded license limit on three contracts, \$7,250
- Hunter Construction Co. Inc., G-14917, Anthony Hunter, Columbia, SC / Failing to make repairs within the timeframe ordered by a hearing officer, \$500
- Premier Plus Builders, G-10514, Art Busby, Jr., Sumter, SC / Failing to make repairs within the timeframe ordered by the board, \$500
- Premiere IV Mechanical Inc., M-101783, Dennis Craig, New Albany, TN / Failing to obtain a building permit for a project and not notifying the Department of the departure of the qualifying party, \$2,100
- JMJ Enterprises, Huston Bowell, San Antonio, TX, / Unlicensed contractor borrowed a South Carolina general contractors license, \$1,800
- Waffle House, Inc., Norcross, GA / Failing to notify the Department of the departure of the qualifying party, \$1,334
- Carolina Coast Marine Service, LLC, St. Helena Island, SC / No license, \$2,500
- Miller Pool Service, Don Miller, Columbia, SC, / No license, \$500
- Ridgemarc Homes Inc, Stan Price, North Augusta, SC, / No license, obtained two building permits to engage in commercial construction, \$4,000
- Atkinson Pools and Spas, LLC, Rex Atkinson, Hanahan, SC / No license, \$500
- McCoy's Renovations, Kip McCoy, Hartsville, SC / No license, \$500
- Raleigh R. Williams, Walterboro, SC / Aiding and abetting an unlicensed contractor, consented to revocation of license for one year
- Myers Marine, Gregg Myers, Surfside Beach, SC, / No license, \$750
- Charles Radcliff, Sumter SC / License Lending, \$5,000
- Premier Vinyl Siding, John Ingle, / No license, \$989
- Cox Electrical Services, Inc, Greenville, SC / No license, \$4,600
- Mallard Marine Construction Company, Hilton Head, SC / No license, \$1,100
- Metal Builders of Florence, Florence, SC / License Lending, \$5,000
- Bradford Roofing, Florence, SC / No license, \$750
- Abrams Plumbing Co, Columbia, SC / No license, \$500
- Carolina Metal Structures, Columbia, SC / No license, \$3,200
- Stoney Wrenn, Scranton, SC / No license, / \$500
- Phillips Management Group, Inc, Greensboro, NC / Aiding and abetting an unlicensed contractor, \$5,000
- Portco, Inc, Columbia, SC / License Lending, \$5,000
- Jordan's Roofing, Conway, SC / No license, \$500
- Complete Plumbing Services, Sherwood Tidwell, Lexington, SC / No license, \$500

Citations Issued

The following entities and individuals were issued a Citation and given a fine for violation of the general and mechanical contracting statutes:

- Leonard D. Croft, Clinton, SC / No license, \$500
- Columbiana Builders, Lexington, SC / Exceeding license limit, \$500
- Creative Interiors, David Johnson, Summerville, SC / Failure to make corrective repairs after receiving a written directive from the board, \$500
- Lonnie Newman Construction, Lonnie Newman, Greenwood, SC / No license, \$790
- Complete Plumbing Service, Sherwood Tidwell, Gilbert, SC / No license, \$500
- Golden Repairs Construction Co. Sumter, SC / No license, \$500
- Gallup Construction Group, John Gallup, Pawleys Island, SC / No license, \$500
- Joseph Dean, Beaufort, SC / No license, \$500
- Eastergard HVAC, George Eastergard, Greenville, SC / No license, \$2,500
- Roofco, Inc, Florence, SC / No license, \$500
- Burch Roofing Co, Florence, SC / No license, \$500
- Marine Construction, Murrells Inlet, SC / No license, \$500
- A-1 Improvements LLC, N. Myrtle Beach, SC / No license, \$1,300

STATUTES CONTINUED FROM PAGE 1

- an alarm business can stay in business for up to 90 days should the entity's qualifying party leave;
- the board has more authority to deny a license due to violations committed prior to obtaining a license;
- qualifying party and registered employee fees have been significantly reduced in addition to a \$50 reduction in the license fee;
- insurance requirements revised to increase coverage; and
- ambiguous language and procedures clarified.

If you want to review the new statutes, go to the board's web page and look for the new alarm statutes effective January 1, 2001. The web site is: www.llr.state.sc.us/.

PROCEDURES CONTINUED FROM PAGE 1

a certain scope of work, is the responsible party for all work performed. This entity must have a proper license to perform all the work under contract or have the ability per statute, such as general or mechanical contractors, to sub the work. If a general contractor has 40 percent and a mechanical contractor has 51 percent of work in a project that is covered under their license classification, they may bid a project and sub any other work that requires licensure.

PROTECTION CONTINUED FROM PAGE 2

issued bonds. The Act requires that payment bonds be used on all public projects and prohibits the issuance of payment bonds in South Carolina by any entity other than licensed insurance companies with a minimum best rating of A- or B+, depending on the circumstances.

An important catch-all provision states that no subcontract clause will be enforceable which neutralizes any form of payment protection created by statute or imposed by the project owner.

SPECIFICATION CONTINUED FROM PAGE 2

the data specified on the bid documents and the fire sprinkler system specification sheet. The shop drawings, along with the fire sprinkler system specification sheet, must be submitted to the PE who prepared the fire sprinkler system specification sheet, or others, in accordance with Title 23, Chapter 45, Section 145(B), South Carolina Code of Laws for compliance review and certification.

For existing structures, the fire sprinkler system specification sheet is required when the authority having jurisdiction requires permits.

Shop drawings must be prepared for every fire sprinkler system. The shop drawings and the fire sprinkler system specification sheet must contain sufficient information to show compliance with the NFPA standards to the degree required by the regulations of the State Fire Marshal (Division of Fire & Life Safety). The State Fire Marshal will not process packages that fail to include the fire sprinkler system specification sheet or those which the fire sprinkler system specification sheet is inaccurate or incomplete.

The Fire Protection Sprinkler Systems Act directly affects the services offered by engineers, architects, contractors and public permitting authorities. Violations of the Act will subject individuals and/or firms to administrative sanctions by the department or disciplinary actions by the Contractors' Licensing Board or Engineers and Land Surveyors Board.

ANSWERS CONTINUED FROM PAGE 3

reduce injuries and illnesses and provide a safe and healthy environment for your employees while at the same time striving to reduce worker's compensation premiums.

For more information on how you and your company can participate in these training programs contact:

S.C. Office Of OSHA Voluntary Programs
 Phone (803)-734-9599
 Fax (803)-734-9741
www.scovp.state.sc.us
scovp@mail.llr.state.sc.us

INTERNET CONTINUED FROM PAGE 4

establish that he/she is licensed, and a prime contractor hires him/her for work that requires licensure, the prime contractor could be charged with aiding and abetting an unlicensed contractor. Since contractors have the ability to verify this information, the department will now be looking for contractors to start ensuring that their subs are properly licensed. A fine may be levied for aiding and abetting unlicensed contractors.

Under section 40-11-270 of the South Carolina Code of Laws, licensees may

use the services of unlicensed subcontractors to perform work within the limitations

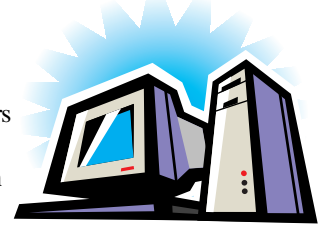
of the licensee's license group and license classification or subclassification. This section pertains only to general and mechanical contractors. The licensee is fully responsible for any violations of Chapter 11 resulting from the actions of unlicensed subcontractors performing work for the licensee.

Alarm and fire sprinkler contractors are not listed on the Internet. Hopefully, they will be added some time next year upon the implementation of a new computer system.

The Internet Web site is

www.llr.state.sc.us.

Go to the licensee look-up, select contractor, and put in the company name, last name if listed as an individual, or license number.



DISCIPLINARY ACTIONS

CONTINUED FROM PAGE 5

Cease and Desist Orders

The following were issued an Order to Cease and Desist any commercial construction due to improper licensing or registration:

- Sammy Avins, Sumter, SC
- Joseph A. Deans, Beaufort, SC
- Carolina Coast Marine Service, LLC, St. Helena Island, SC
- JMJ Enterprises, San Antonio, TX
- Hanson Concrete & Masonry, Greenville, SC
- C & L Roofing, James Corder, Lexington, SC
- Charles L Joe, Sumter, SC
- Lonnie Newman Construction, Lonnie Newman, Greenwood, SC
- Mark R. Johnson, Hartsville, SC / Not registered as a construction manager
- Johnny Gatson, Charleston, SC
- Gene Blair, Myrtle Beach, SC
- Mallard Marine Construction Company, Hilton Head, SC
- Roger Ballingall, Surfside Beach, SC
- HRT Design Concepts, Hilton Head, SC
- Bill Mitchell Marine Construction, N. Charleston, SC
- Carolina Metal Structures, Columbia, SC
- Carter Construction Company, Sellers, SC
- The Sanders Company, Greenwood, SC
- Your Way General Contractor, Greenwood, SC
- Nick Builders, Greenwood, SC

License Revocation by the Board

- The Bredman Group, Inc., John Staarmann, Simpsonville, SC, license number G-98257 / Failing to: pay creditors and subcontractors; maintain financial net worth requirements; comply with a directive from the department; and abandoning a construction contract. The board revoked their license for one year. All financial obligations connected with the case must be satisfied before the licensee can re-apply for licensure.

Final Orders Issued by the Board

- Land Roofing, Terry Land, Columbia, SC / Failing to make repairs as directed by the department on two complaints, \$1,000 fine
- Burgess Construction Company, Robert Burgess, Columbia, SC / Failing to obtain a permit for a construction project, \$500 fine

Have You Moved?

It is the responsibility of the licensees to keep the board office aware of current address and telephone information. When these changes occur, please notify this office immediately.

Please submit the following information:

Date: _____

Name of Licensee: _____

Old Address: _____

New Address: _____

Old Phone Number: _____

New Phone Number: _____

Signature: _____

S.C. Department of Labor, Licensing and Regulation
Contractors' Licensing Board
P.O. Box 11329
Columbia, SC 29211-1329

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NASCLA National Association of State Contractors' Licensing Agencies

If you need information on contractor licensing in other states, you need a copy of the ***Contractors State Licensing Information Directory***.

The 2000 edition identifies more than 150 state agencies that regulate the construction industry. The directory summarizes the pre-qualification, licensing, examination and bonding requirements. Information regarding reciprocity, license classifications, incorporating and fees is also included. 180 pages.

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